

# GUILFORD

THE NEW RAIL ALTERNATIVE



Guilford Transportation Industries Companies



# The Challenge of the Eighties

On January 5, 1984, Guilford Transportation Industries completed the lengthy process of acquiring three major Northeast railroads. GTI now owns the Boston and Maine Corporation, the Delaware and Hudson Railway Company and the Maine Central Railroad Company. Employees, shippers, government officials and others have asked, why this combination? Several reasons have been given for this acquisition by Timothy Mellon and David Fink.

Owner, Timothy Mellon, has a positive attitude concerning the future industrial and commercial potential of the Northeast. He is firm in his conviction that this region has a bright future and views the investment in these railroads not as a risk but as an opportunity. He believes the region is on the threshold of economic regeneration.

David Fink, Chairman, believes that ownership of these properties is a sound business proposition. He is convinced that the combination will be competitive in the Northeast transportation market, resulting in greater viability of the aggregate system than the three railroads would have operating independently. He points out that the strength of each railroad will be maximized to the benefit of the others.

The basic philosophy for the new system is that each railroad will maintain its own identity but receive overall guidance and control from GTI. Such a plan has been prepared at the corporate level which will bring about substantial savings in areas of insurance, purchasing, inventory and accounting functions. As the infant system matures, other areas of efficiency will be evaluated and changes implemented.

The goal of GTI is to provide fast, efficient service to shippers while maximizing the long-term profits of the new system. The combined railroads will operate about 4,000 miles of line extending from Calais, Maine to Buffalo, New York and Montreal, Canada to Washington, D.C. About 4,500 men and women

will be employed and inventory of equipment will include nearly 400 locomotives and 12,000 freight cars. The controlled railroads and the resulting GTI system will be competitive, efficient and offer the shipping public an opportunity for improved routing for their freight.

There are many potential coordinations for the three carriers, including run-through train service, joint use of equipment and facilities, improved freight car utilization and coordinated data exchange.

Traffic will be solicited with a coordinated sales force. The ability to solicit and route traffic over the combined system will result in lower costs, expedited handling of cars and vastly improved service. The one sales force concept will permit imaginative marketing programs to attract new traffic, both intra and intermodal.

By today's standards the GTI railroad system is small when compared to the megarail systems that have evolved over the past few years. But GTI, in many ways, will have the best of all worlds: An adequate size to have sufficient market clout in a deregulated atmosphere and yet small enough to retain some of the more abstract characteristics of small regional carriers.

The opportunities for the GTI rail system are unlimited. With contributions and cooperation from the quality employees of the Boston and Maine, Delaware and Hudson and Maine Central, the Northeast Railroad Challenge of the Eighties will be met.

## FRONT COVER

The first locomotive in the Guilford system to be painted in Guilford colors and design was Maine Central's 470. This unit was completely remanufactured by Railroad forces at Waterville Shops after it had operated for over 27 years and 1,750,000 miles. It was renumbered 470 in recognition of the "Old 470" which was the last steam locomotive to operate on Maine Central and is now on display in a park adjacent to Waterville Yard. Photo by Bruce O. Nett





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# Guilford's Railroads Today

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*The three railroads of the Guilford Transportation Industries system have their individual characteristics. The Boston and Maine, Maine Central and Dela-*

*ware and Hudson now make up a regional rail system but, as individual properties, they can be described as follows.*

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## Maine Central Railroad

### The Pine Tree Route

Maine Central operates a little more than 800 miles, mostly in the State of Maine. It begins at Portland with its historic Boston and Maine connection.

Starting from Portland, Maine Central's main line extends to Royal Junction in Yarmouth, divides to serve Lewiston and the Brunswick-Augusta areas, then joins again at Waterville and continues to Bangor. The main line continues from Bangor north along the Penobscot River to Lincoln, to Mattawamkeag and then under agreement with Canadian Pacific to the Canadian border at Vanceboro.

An important Maine Central branch runs from Bangor to Bucksport. Other major branches run from Leeds Junction, outside Lewiston, to Jay and Rumford; from Oakland to Madison and North Anson; from Waterville to near Skowhegan.

Maine Central interchanges freight with the Boston and Maine at Portland; the Bangor and Aroostook at Northern Maine Junction, near Bangor; and two Canadian railroads at several locations.

Portland Terminal Company, a wholly-owned subsidiary of Maine Central, provides terminal service in the Greater Portland area for its tenant companies, Boston and Maine and the Maine Central.

Maine Central grew as a network of steel linking the older cities and served as the catalyst in the development of many new communities. The effect was to consolidate and strengthen the economy and to quicken the development and industrial prosperity of the area.

Today Maine Central serves hundreds of customers throughout its system, including major paper mills and related industries in 22 Maine communities. The Railroad brings in forest products, feed grains, coal, oil and chemicals, and takes out finished forest products going to a world-wide market. A total of 16 of Maine's 19 pulp and paper companies are served directly by Maine Central. The 365-day production capacity of these Maine mills is about 4 million tons of paper, and in a recent year the Railroad carried nearly 3½ million tons of finished paper products and roughly 2½ million tons of raw materials, chemicals and fuel.

This is the dimension of rail transportation support provided every year by Maine Central for Maine's largest industry, a dynamic enterprise that owns or controls more than 5 million acres of forestlands and employs about

20,000 Maine men and women.

Serving many prosperous industries—and, in fact, contributing to their prosperity—Maine Central has been a financial success in an era when other railroads have faltered. Once a marginal operation beset by passenger service losses, the Company has weathered many storms and has matched the expansion of Maine industries with improvements and new efficiencies.

## Boston and Maine Railroad

### The Minuteman Route

Boston and Maine has undergone a lengthy but successful reorganization. During the 1970's there were dramatic changes in the Railroad, including a major expansion in rolling stock, heavy duty diesel locomotives, construction of product and automobile distribution terminals, multimillion dollar track improvement programs and the receipt of the Harriman Gold Medal Award for safety.

Also during the reorganization process the issue of commuter rail service for the Metropolitan Boston



Area was resolved with the acquisition by the Commonwealth of Massachusetts of the approximately 300 miles of rights-of-way and passenger equipment. This cooperative public/private effort affords the efficient operation of a commuter rail system presently serving over 10 million passengers per year with a fuel-efficient, safe alternative method of transportation in and out of the core Boston area.

Boston and Maine today operates a 1400-mile railroad serving New England with vital links to western and southern states and to Canada. The Railroad carries paper and forest products, food and automotive products, energy and heating fuels, building materials and many other essential commodities. With connections to and from the Maine Central, Delaware and Hudson, Conrail, Canadian Pacific, Canadian National, Central Vermont, and a number of New England short line railroads, the Boston and Maine is truly the lifeline of Central New England. Boston and Maine currently serves over 4000 customers, primarily as a terminating and overhead carrier.

The Boston and Maine has long been involved in the development of intermodal services in New England. For example, back in the 1920's a subsidiary operation of the Boston and Maine Railroad was Boston and Maine Transportation Company. In 1931, Boston and Maine Airways, Inc. was organized and eventually evolved into a separate independent airline carrier. Today, a Boston and Maine subsidiary, BMX, cooperates with the Railroad in providing competitive intermodal services to the benefit of off-line customers. Coupled with various commodity distribution facilities located throughout New England, Boston and Maine offers a complete transportation service for New England business.

## Delaware and Hudson Railway

### The Bridge Carrier

Delaware and Hudson Railway Company has a long history that for many decades was tied to the transportation of coal. Today, the Railroad is primarily an "overhead" carrier, moving traffic originated or terminated by other railroads.

Delaware and Hudson operates about 1700 miles, mostly in New York and Pennsylvania, but with lines also in New Jersey, Maryland, Virginia, Vermont and the Province of Quebec (Napierville Junction). Of this operation, about half the mileage is over the trackage of other railroads including portions of the former properties of Penn Central, Erie Lackawanna, Lehigh Valley and Reading.

Major gateways for the Delaware and Hudson are at Mechanicville, New York with the Boston and Maine; at Albany with ConRail; at Buffalo with ConRail, the Norfolk and Western and the Chessie System; at Harrisburg and Allentown, Pennsylvania with Conrail; at Washington, D.C. with Southern and the Chessie System; and at Montreal with the Canadian railroads. The Railroad also operates into Philadelphia, Pennsylvania, Newark, New Jersey and Harrisburg, Pennsylvania.

The major east-west line of the Railroad was historically from Albany, New York to Binghamton, New York, but this line was nearly doubled west in 1976 with trackage rights to Buffalo. The north-south route of the Delaware and Hudson had for decades been from Montreal, Canada to Scranton, Pennsylvania. The route was extended south by trackage rights into Washington, D.C. in 1976, as well as pro-

viding extension into Newark and Philadelphia.

As primarily an overhead railroad, Delaware and Hudson customers are mostly off the property. The Railroad does have several commodities that are originated in substantial volume on the Railroad including paper products from several paper mills, salt, steel, cement and petroleum.

Delaware and Hudson had a solid history of profitability until the implementation of the 3R Act of 1973 and the 4R Act of 1976. On April 1, 1976, the Railroad nearly doubled its operations with the granting by Congress of substantial trackage rights over other railroads. The Railroad has struggled financially since that time but has held on and continued operations serving customers in the United States and Canada in spite of difficult times.

Since evolving from its very early beginning as a canal company in 1823, Delaware and Hudson has responded to the public need for competitive rail transportation in the northeast. Delaware and Hudson begins a new era with the same spirit and vitality that generated its beginning 160 years ago as part of the foundation of transportation in North America.





# From the Beginning of Railroading

The very birth of railroad operations in this country can be traced to the predecessor railroads of the three carriers that make up Guilford Transportation Industries' rail system. The Delaware and Hudson Canal Company (1828), the Boston

and Lowell Railroad (1830) and the Bangor & Piscataquis Canal & Railroad Company (1836) all played a part in the genesis of railroad development in the United States.

The railroads of the Guilford system were partners in the indus-

trial growth of the region. The colorful railroad history of the Northeast is apparent in the following brief histories of the Maine Central, Boston and Maine and Delaware and Hudson railroads.



## Delaware and Hudson Railway

The history of the Delaware and Hudson Railway Company is traced to the earliest days of railroad operations in the United States. Coal was the key to the evolution of this railroad and it played a role in its success for many decades.

In the early 1800's, steam as a source of power first began to be appreciated. Among those whose imagination grasped the vast possibilities were the four Wurt Brothers of Philadelphia. They purchased coal-bearing lands in the Lackawanna Valley and set up headquarters at a place they later named Carbondale, the site of their first mine.

Movement by water, for long hauls, was the most adequate means of transportation then available. And so a canal 108 miles long was planned from Honesdale, Pennsylvania, about 16 miles east of Carbondale, to the Hudson River at Rondout, near Kingston, New York. This undertaking to join the Delaware and Hudson Rivers brought about the incorporation of "The President, Managers and Company of The Delaware and

Hudson Canal Company" in 1823. Five years later, the Canal was completed.

Subsequently, a railroad 16 miles long was built over the Moosic Mountains, joining the Canal at its western terminus with the mine at Carbondale. This railroad, a system of planes and inclines, was operated by steam-powered rope haulage on the steep ascent from Carbondale to Rix's Gap, and by horses on the moderate gradients to Honesdale. It was from this so-called "Gravity Railroad" that the D&H's operation eventually grew to its present size.

In 1830, only 23 miles of railroad were operating in the United States, and, of these, 16 were later to become part of the Delaware and Hudson.

In 1869 the New York State Legislature granted to the D&H Canal Company general railroad building and operating rights. Three years later these rights were exercised when the Company leased the newly completed Albany & Susquehanna Rail Road from Albany to Binghamton. The D&H built a line from Lanesboro to Nineveh, and in 1871 leased the Rensselaer & Saratoga Rail Road. The Company's motive behind these leases and extensions was that of broadening the market outlets for the Company's production of coal.

Expansion continued through the period following the Panic of 1873, despite the general business contraction. Finally, with the acquisition of the New York and Canada

Rail Road Company, which had absorbed The Whitehall and Plattsburgh Rail Road Company and The Montreal and Plattsburgh Rail Road Company, there was a consolidation of rights, franchises and properties of all the roads on the western shore of Lake Champlain. It was now possible for heavy rail traffic to reach Canada via Albany and Plattsburgh the year 'round.

The Managers of The Delaware and Hudson Canal Company had looked forward to the day when their rail traffic would go all the way to Montreal and eliminate the water trip on Lake Champlain. In 1875, the arrival of the first through train to Montreal was celebrated with appropriate ceremonies.

By far the most spectacular addition in the way of steam roads was the Quebec, Montreal & Southern Railway Company north of the border. This line had a rather chequered past, having been the result of several mergers between small weak lines in the eastern townships of Quebec.

The road formed a sort of wishbone shape on the map, with one leg extending from St. Lambert (just across the Victoria Bridge from Montreal) down along the south shore of the St. Lawrence River to Sorel. By the turn of the century, trains were running from St. Lambert to Pierreville at the St. Francis River, a distance of 62 miles. The other leg of the wishbone came about by the United Counties Railway (1883) and the East Richelieu Valley Railway (1890).



In 1900, the Quebec Southern Railway was formed by agents representing the D&H. The QS absorbed the East Richelieu Valley, which the D&H had already purchased on May 30, and the United Counties. The new 82.8-mile railway ran from Noyan Junction to St. Robert with trackage rights into Sorel from the latter point over the South Shore Railway.

The Delaware and Hudson acquired its second Canadian subsidiary in 1907 when it purchased the Napierville Junction Railway Company. The NJR had been incorporated under Quebec law in 1888 and was empowered to build from St. Remi in Napierville County to Saint Cyprien, as well as a line to St. John's.

With the addition of the NJ, the "bridge line" carrier gained direct access both to the QM&S and Montreal. In 1917, federal legislation approved the use of CPR's line from Delson Junction to Montreal and the facilities at Windsor Station.

About 1938, the Delaware and Hudson Railway found itself faced with a new era, one with a declining market for coal, the ubiquitous private automobile, more diversified freight traffic needs and, finally, speed. In meeting these challenges in an increasingly competitive transportation marketplace, the D&H divested itself of its traction lines, its steamboats and its hotels, and abandoned some branch lines.

On April 1, 1976, D&H took a significant step into the future. Under the Regional Railroad Reorganization Act of 1973, D&H was designated as one of the solvent railroads to extend its operations over the former properties of Penn Central, Erie Lackawanna, Lehigh Valley, and Reading. D&H's former gateways at Binghamton, New York and Wilkes-Barre, Pennsylvania were extended to Buffalo, New York on the West, to Philadelphia and Washington, D.C., South. D&H also extended its operation into Oak Island (Newark), New Jersey and into Harrisburg, Pennsylvania.



## Boston and Maine Railroad

Boston and Maine Railroad had its origin in 1833 when the General Court of Massachusetts authorized the charter of the Andover and Wilmington Railroad. From the dream of one man, Hobart Clark of Andover, Massachusetts, the Andover and Wilmington Railroad Corporation grew from its 7-mile operation to become the Boston and Maine Railroad of today. It was built to connect with the Boston and Lowell Railroad, originally established in 1830, which was the first chartered steam railroad to be built and operated in the United States.

During the past 150 years over 170 different railroad corporations have been consolidated, merged, leased and purchased in an extraordinary story of New England railroading history. The Northern Railroad, the Concord and Montreal Railroad, the Fitchburg Railroad, the Connecticut River Railroad, the Manchester and Lawrence, the Lowell and Andover Railroad and the Kennebunk and Kennebunkport Railroad systems formed the basis for the development of the Boston and Maine Railroad system.

Boston and Maine was incorporated in 1835 in the State of New Hampshire and shortly thereafter received charters in Maine and Massachusetts. The name Boston and Maine Railroad, as it is known today, resulted from the union of the Maine, New Hampshire and Massachusetts Railroad Corporation and the Boston and Portland Railroad. This marriage took place formally on June 3, 1844. The B&M genealogy counts a total of 176 different rail corporations.

The early history of the Boston and Maine was characterized by caution and slow development. Its expansions to Boston in 1846, and

to Portland, Maine in 1873 were very successful ventures. It was also then less subject to competition from its rival, the Eastern Railroad Company. Activities picked up toward the end of the century. The troubled Eastern Railroad was leased to the Boston and Maine in 1884 and consolidated in 1890. The Boston and Lowell Railroad was leased in 1887 with its several subsidiaries. In 1895, the Connecticut River Railroad was taken over under lease, as was the Fitchburg Railroad and the Concord and Montreal Railroad and its subsidiaries in 1900.

In 1919, the Boston and Maine absorbed 7 of its principal leased lines which were merged to form what makes up the present Boston and Maine system. In 1926, the Boston and Maine sublet to Canadian Pacific Railway 69 miles of the Connecticut and Passumpsic River Railroad and at the same time subleased to the Quebec Central Railway the Massawippi Valley Railway—a lease which does not expire until 2869.

Among the many significant events in the B&M history, the construction of the nearly 5-mile long Hoosac Tunnel in 1875 stands out. The Hoosac Tunnel has been regarded as one of the most marvelous engineering accomplishments of its time and continues to serve New England shippers with a cost-efficient and energy-saving route to and from the West.

There is a great deal more railroad history in this regional rail carrier, and many an author has written volumes about the Boston and Maine and its integral role in the development of transportation in the Northeast.





## Maine Central Railroad

Maine Central Railroad Company is a direct descendant of Maine's first two railroads, which were chartered 150 years ago, and is the surviving heir of some 50 others organized and operated throughout most of Maine during the past century. The Calais Railway Company was chartered in 1832 as was the Bangor and Old Town Railway Company. The Bangor & Piscataquis Canal & Railroad Co. bought the Bangor and Old Town and built 12 miles of railroad from Bangor to Old Town in 1836.

Maine Central was born in 1862 with the consolidation of the Androscoggin and Kennebec and the Penobscot and Kennebec Railroads into a 110-mile line from Danville Junction, near Lewiston, to Bangor. In 1863, Maine Central's gross revenues were about \$350,000.

Maine Central played a major role in the early success of Maine's pulp and paper industry and in the establishment of Maine as a vacation state. By 1917, the Maine Central system stretched 1,358 miles over Maine, New Hampshire and Vermont.

Not only did whole families of summer visitors ride the coaches and parlor cars of Maine Central to summer playgrounds in Maine, but many of them were perennial guests at luxury hotels operated by the Railroad. Others became regular passengers aboard a fleet of trim steamers operated by Maine Central to extend its services and in-

fluence far beyond the end of its rail lines. The movement of people—in the days before turnpikes and two-car families—put Maine Central into a number of related transportation activities including a successful bus operation, and partnership with the Boston and Maine Railroad in the first commercial airline to serve the State of Maine.

People were dependent on public transportation in those times, and the Railroad connected the larger communities and many of the smaller ones. Maine Central's geography was determined by transportation needs of people first, and then of industry which built mills where hydro power was available and used surrounding forestlands as a virtually inexhaustible source of raw materials.

Some of the railroads that were to become a part of Maine Central had their own very rich history. Some of the more important predecessor railroads bring back nostalgic memories to historians in the region. Three railroads were to become the core of the Maine Central system—the Kennebec and Portland Railroad Company, the Androscoggin and Kennebec Railroad Company and the Penobscot and Kennebec Railroad Company.

The Kennebec and Portland was chartered in 1836 and built a line from Portland to Augusta from 1849 to 1851. It also operated the Somerset and Kennebec Railroad Company from Augusta to Waterville to Fairfield and to Skowhegan. The Androscoggin and Kennebec was chartered in 1847 and a 55-mile line was built from Danville Junction to Waterville from 1848-1849. The Penobscot and Kennebec, chartered in 1845, built a line from Waterville to Bangor from 1853-1855.

Maine Central's official beginning was when it was organized on October 28, 1862 with the consolidation of the Androscoggin and Kennebec and Penobscot and Kennebec. The Kennebec and Portland was leased to Maine Central in 1870

and acquired by Maine Central in 1874.

The Portland and Ogdensburg Railroad Company was incorporated in 1867 to build a railroad between Portland and the Great Lakes. The line never reached its western destination, but the building of the section through New Hampshire's forbidding White Mountains was considered a great engineering accomplishment. The elevation increases from 680 feet to 1900 feet over a span of 14 miles with the steepest grade at one section of 115 feet to the mile. The line from Portland to St. Johnsbury, Vermont was completed in 1875. Maine Central operated the line beginning in 1888 and had acquired complete ownership by 1955.

The only land-grant railroad in the region was the European and North American Railway Company which was chartered in 1850 and built 114 miles from Bangor to Vanceboro from 1868 to 1871. The line was leased to Maine Central in 1882 and acquired by Maine Central in 1955. In 1974, the portion of the line from Mattawamkeag to Vanceboro was sold to Canadian Pacific, with Maine Central retaining trackage rights.

Hugh J. Chisholm, Sr. was responsible for carving out a manufacturing empire in Western Maine. He was the first president of International Paper Company and founder and owner of the paper mill in Rumford. He also was responsible for building the railroad in the region. The Portland and Rumford Falls Railway and the Rumford Falls and Rangeley Lakes Railroad together built 78 miles from Auburn to Rumford and to Oquossoc near Rangeley Lakes from 1892-1902.

Many other railroads played an integral part in the development of Maine Central, from the 115 miles of the Washington County Railroad to the one mile of the Rumford Falls and Buckfield Railroad. A lot of dynamic railroad history is packed into the 150 years of railroading in Maine and the 121 years of operation of Maine Central Railroad.





Above, MBTA commuter train at Auburndale. Photo by Tom Nelligan. Below, Guilford unit 365 leads train through a rural grade crossing. Photo by Ken Kraemer.

